

Docket Nos. 98-0252/0335(Consol.)
Staff Ex. 34.0

SUREBUTTAL TESTIMONY
OF
MARK A. HANSON

TELECOMMUNICATIONS DIVISION
ILLINOIS COMMERCE COMMISSION

AMERITECH ILLINOIS
DOCKET NOS. 98-0252/0335(CONSOL)

JANUARY 30, 2001

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Q. Please state your name and business address.

A. My name is Mark A. Hanson and my business address is 527 East Capitol Avenue,
Springfield, Illinois 62701.

Q. Are you the same Mark A. Hanson who earlier sponsored testimony in this proceeding?

A. Yes.

Q. What is the purpose of your surrebuttal testimony?

A. I will respond to comments made in the surrebuttal testimony of Ms. Cate Conway Hegstrom on behalf of the AT&T Communications of Illinois.

Q. What are you responding to in Ms. Hegstrom’s testimony?

A. Ms. Hegstrom states that “it is short-sighted for Staff to recommend, and inadvisable for the Commission to adopt, any modification to rates in this proceeding that would cause a potentially anti-competitive resolution in the pending ICC Docket No. 00-0555 rulemaking.”

Q. Do you agree with Ms. Hegstrom’s statement?

22 A. No. The Band A usage rates that I have proposed in this proceeding exceed LRSIC.
23 There are many complex issues to address in the Docket No. 00-0555 rulemaking.
24 This Commission is likely to enter a final order in this proceeding well prior to doing
25 so in Docket No. 00-0555. The Commission can remedy any competitive problems
26 it finds in that docket. The Commission should not base its rate design in this
27 docket on what a party believes might happen in Docket No. 00-0555.

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29 **Q. Staff witness Voss has identified new revenue requirement levels. What**
30 **impact would this have on rate design should the Commission decide to**
31 **reset rates?**

32 A. The level of revenue requirements reduction identified by Mr. Voss is \$824.6 million.
33 A revenue requirements reduction of this level will result in all non-competitive
34 services being priced at LRSIC levels. Should the Commission elect to allocate
35 revenue requirement on the basis of comparative revenues, the revenue
36 requirement reduction would be \$355.1 million. Should the Commission decide to
37 allocate revenue requirement reductions on the basis of comparative costs, the
38 revenue requirement reduction would be \$455.8 million.

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40 **Q. Does this conclude your surrebuttal testimony?**

41 A. Yes, it does.